

YEAR 2006

ANNUAL REPORT

OF THE

NAME Landmark Water Co., L.L.C.

LOCATION 3985 Valley Commons Drive, Bozeman, MT 59718

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING December 31, 2006

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

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REPORT OF

Landmark Water Co., L.L.C.

(Exact Name of Utility)

3985 Valley Commons Dr., Bozeman, MT 59718

(Address)

(City, State, Zip Code)

For Year Ended

12/31/2006

Date Utility First Organized

2/11/2003

Telephone Number

(406) 586-9922

Location where books and records are located

see above

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Thomas L. Clinton Registered Agent	3985 Valley Commons Dr. Bozeman, MT 59718	XXXXXXXX
Person who prepared this report:	Terri Zullo, Controller	same as above	XXXXXXXX
Officers & Managers:			\$
Potter Clinton Development Inc.	Managing Member	3985 Valley Commons Dr. Bozeman, MT 59718	\$ 0
			\$
			\$
			\$
			\$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Landmark Development - Bozeman, LLC	100%	3985 Valley Commons Dr. Bozeman, MT 59718	\$ 0
			\$
			\$
			\$

INCOME STATEMENT

Account Name	Current Year	Previous Year 2005
GROSS REVENUE:		
Metered		
Residential	176,908	119,566
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
<u>TOTAL GROSS REVENUE</u>	176,908	119,566
Operation and Maintenance Expense	134,434	87,452
<u>Depreciation Expense</u>	49,847	49,847
<u>Taxes Other Than Income</u>		
<u>Income Taxes</u>		
<u>Deferred Federal Income Taxes</u>		
<u>Deferred State Income Taxes</u>		
<u>TOTAL OPERATING EXPENSE</u>	184,281	137,299
NET OPERATING INCOME (LOSS)	(7,373)	(17,733)
Other Income:		
Non-Utility Income		
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
NET INCOME (LOSS)	(7,373)	(17,733)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	CURRENT YEAR	PREVIOUS YEAR 2005
Assets:		
Utility Plant In Service	928,729	928,729
Accumulated Depreciation and Amortization	(169,975)	(120,128)
Net Utility Plant	758,753	808,601
Cash	46,589	53,882
Customer Account Receivable	18,611	8,513
Other Assets (Specify)		
Total Assets	823,953	870,996
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	(72611)	(45,238)
Proprietary Capital		
Total Capital		
Long Term Debt		
Accounts Payable	2,835	7,505
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction	893,729	928,729
Total Liabilities and Capital	823,953	870,996

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	120,128	70281
Credits During Year		
Accruals Charged to Depreciation Account	49,847	49847
Salvage		
Other Credits (Specify)		
Total Credits	169,975	120,128
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	169,975	120,128

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate "Cash or Property"	Amount
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		(65,238)
Changes during year (Specify): <i>Transferred from Income</i>		(7,373)
Balance end of year		(72,611)

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year		
Changes during year (specify):		
Balance end of year		

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Total			

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	87,961			87,961
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains	146,883			146,883
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	577,218			577,218
333	Services				
334	Meters and Meter Installations	2,547			2,547
335	Hydrants	114,120			114,120
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	928,729			928,729

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	
Purchased Water	121,962
Purchased Power	
Fuel For Power Production	
Chemicals	
Materials and Supplies	35
Contractual Services	9875
Rents	
Transportation Expense	
Insurance Expense	
Regulatory Commission Expense	1594
Bad Debt Expense	
Miscellaneous Expense	967
	73
Total	134434

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, individual or organization of any kind whatever, amounting to \$500. or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

[illegible]

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains	20	0	5	21959	7344	29303	
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	20	0	5	66069	28861	94930	
333	Services		%	%				
334	Meter & Meter Installation	15	0	6.667	510	169	679	
335	Hydrants	15	0	6.667	15,350	7608	22958	
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
Totals					103,888	43982	147870	

679

94930

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. _____ Deep Wells No. _____

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
12"	6873						6873
10"	2217						2217
8"	14236						14236
6"	6568						6568
Total	29894						29894

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs _____ Capacity in Gallons _____
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification _____

SERVICES AND METERS

Services
 1/2 in. _____ 5/8 in. _____ 1 in. _____ 1 1/2 in. _____ 2 in. _____ 3 in. _____ 4 in. _____ 6 in. _____

 Meters

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	210		210	227		227	17
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	210		210	227		227	

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year _____ gals.
 Maximum Water obtained all methods during any one day _____ gals.
 Minimum Amount of Water obtained all methods during one day _____ gals.
 Total Amount of Water passed through customers meters during year _____ gals.
 Range of ordinary pressure on mains _____ lbs. to _____ lbs.
 Range of fire pressure in mains _____ lbs. to _____ lbs.

STATE OF MONTANA)

County of Gallatin)

We, the undersigned, on our oath do severally say that the foregoing return the
Landmark Water Co., LLC., water utility, has been prepared
under our direction from the original books, papers and records of said utility and declare
the same to be a full, true and correct statement embracing all the financial transactions of
said utility during the period for which the return is made.

Thomas L. Clinton

Thomas L. Clinton

Subscribed and sworn to before me this 30th day of April, 19-2007.

Terri Gull

Terri Gull

NOTARY PUBLIC for the State of Montana
Residing at Bozeman, Montana
My Commission Expires July 31, 2007